

Message Text

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UNCLAS KUWAIT 2478

EO 11652: NA

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SUBJ: MRO KULLOUGH'S RECOMMENDATIONS FOR FY 75-76 COMMERCIAL
PROGRAM

REF: A) AMMAN 3265; B) AMMAN 3341

SUMMARY: POST WISHES ENDORSE MANY OF KILLOUGH'S RECOMMENDATIONS,
GIVING PARTICULAR EMPHASIS TO SUGGESTIONS CONCERNING INITIATION
OF HORIZONTAL MISSIONS, PRODUCT EXHIBITIONS, AND STRENGTHENING
OF VERTICAL MISSIONS. BELIEVE SMALL SIZE OF GULF STATES, COUPLED
WITH UNCERTAINTY OVER WHAT THESE STATES WILL DO WITH THEIR
SURPLUS CAPITAL, MAKES FOR A VERY FLUID SITUATION WHICH REQUIRES
US TO BE INNOVATIVE AND FLEXIBLE IN OUR APPROACH TO THE MARKET
IF WE ARE TO DERIVE MAXIMUM BENEFIT FROM OUR COMMERCIAL PROGRAMS
IN THIS AREA. END SUMMARY

1. POST IN SUBSTANTIAL AGREEMENT WITH FINDINGS MRO KILLOUGH OUT-
LINED IN REF A AND WOULD PARTICULARLY LIKE TO ENDORSE RECOMMEND-
ATIONS CONCERNING HORIZONTAL MISSIONS MANNED BY THOSE ABLE TO
MANAGE AND/OR INVEST IN LARGE INDUSTRIAL AND COMMERCIAL PROJECTS
FROM CONCEPTUALIZATION THROUGH OPERATION. EMBASSY ENDORSES USE
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OF PRODUCT EXHIBITIONS AS NEXT PROMOTIONAL TOOL IN THE AREA.

WHILE WE STILL BELIEVE VERTICLE PRODUCT MISSIONS ARE USEFUL, THEMES HAVE TO BE CAREFULLY SELECTED TO ENSURE SUFFICIENT MARKET DEPTH EXISTS TO WARRANT FULL-SCALE MISSION, AND COMPANIES SHOULD BE CHOSEN WITH VIEW TO BRINGING TRULY NEW-TO-MARKET FIRMS TO AREA, HOPEFULL, ANCHORED WITH ONE OR TWO FIRMS ALREADY ENJOYING WIDE RECOGNITION.

2. POST NOT PARTICULAR ABOUT FORMAT EMPLOYED TO BRING MISSIONS OF ENTREPRENEURIAL TYPES TO AREA (I.E. IOGA, USG SPONSORED, OR EVEN UNOFFICIAL MISSIONS), NEVERTHELESS, BELIEVE IT IMPORTANT COMMERCE EXERCISE ITS INFLUENCE TO ENSURE THOSE THAT COME REPRESENT RESPONSIBLE COMPANIES CAPABLE EXECUTING PROJECTS WHICH COMPATIBLE WITH AREA'S NEEDS AND RESOURCES. WE HAVE RECEIVED BOTH LOCAL AND US INTEREST IN BRINGING GROUPS OF INDUSTRIALISTS AND INVESTORS TO KUWAIT TO EXECUTE TURN-KEY PROJECTS AND ENTER INTO JOINT-VENTURES WITH BOTH GOK AND PRIVATE SECTOR. IN ADDITION TO KILLOUGH'S IDEAS CONCERNING EMPLOYMENT CITY AND STATE-BASED GROUPS SUCH AS CITY OF HOUSTON, POST HAS BEEN IN TOUCH WITH OFFICIALS CONNECTICUT BANK AND TRUST ABOUT SUCH APROMOTION AND HAVE ASKED THEM TO CONTACT HALE AND WESTLEY. WE HAVE ALSO BEEN CONTACTED BY JEFF ENCK OF ENCK, HOLLINGSWORTH, AND REVEUX, AN INVESTMENT FIRM OUT OF LOUISVILLE, WHO HAVE RECENTLY RECEIVED CONSIDERABLE PUBLICITY ABOUT THEIR ALLEGED CONTACTS IN KUWAIT. ENCK INTENDS TO BRING FIVE OR SIX INDUSTRIALISTS ON JUST SUCH A MISSION IN LATE JUNE (THE TIMING IS NOT PARTICULARLY GOOD, GIVEN SUMMER EXODUS FROM KUWAIT). IN SHORT, WE WELCOME SUCH PROMOTIONS AND HOPE TO WORK CLOSELY WITH ALL SUCH GROUPS IN ATTEMPTING TO PROMOTE SALES OF US EQUIPMENT AND TECHNOLOGY.

3. RE PRODUCT EXHIBITIONS, EMBASSY FREQUENTLY ASKED BY LOCAL BUSINESS COMMUNITY WHY WE HAVE NOT YET MOUNTED SUCH PROMOTIONS WHEN MANY COUNTRIES EXPORTING ONLY A SMALL FRACTION OF WHAT US DOES TO KUWAIT HAVE ALREADY DONE SO. GULF ARABS LIKE TO INSPECT MERCHANDISE CLOSELY BEFORE BUYING, BUT AGAIN ONLY PRODUCTS HAVING SUFFICIENT DEPTH TO WARRANT THIS PROMOTIONAL VEHICLE SHOULD BE CHOSEN, PERHAPS, IN SMALL GULF MARKETS, MORE THAN ONE PRODUCT THEME SHOULD BE FEATURED IN ANY GIVEN EXHIBITION.

4. OVERALL, IT IMPORTANT THAT WE BECOME FLEXIBLE AND INNOVATIVE IN OUR APPROACH TO THE REGION. NEW REVENUES MAKE FOR AN UNPRE-UNCLASSIFIED

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CEDENTED SITUATION AND THERE IS NO RPT NO CLEARCUT ANSWERS AS TO HOW WE CAN BEST ENSURE US SELLS SUFFICIENT GOODS AND ATTRACTS ENOUGH INVESTMENTS TO PAY FOR THE OIL WE EXPORT FROM THE AREA. EMBASSY HOPES WE CAN MAINTAIN LIVELY AND SPIRITED DIALOGUE ABOUT OUR PROGRAMS AND PROMOTIONS AND REMAIN FLEXIBLE ENOUGH TO RESPOND TO AREA'S NEEDS AS THEY DEVELOP. MCCLELLAND

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